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✓ III. 4
DCI/IC - 72-0275

10 April 1972

MEMORANDUM FOR: D/DCI/IC

SUBJECT : Summary Content and Emphasis of OMB's Concept
Paper: "Implementing the DCI's Resource
Review Role"

1. The paper reiterates the DCI's new responsibility "to plan and review all intelligence activities and the allocation of all intelligence resources," and to submit to the President through OMB a Consolidated Intelligence Program Budget (CIPB) which reflects the results of that review. (The concept paper did not delete the need to review "tactical" programs, though it did not dwell on the subject.) OMB identifies three "critical" procedures which should be included as part of the DCI's new management responsibilities:

a. The DCI must be able to identify important intelligence resource issues in the current and future fiscal years. Success will depend first upon the extent and quality of DCI (staff) participation in the various existing resource review forums, and second upon the DCI's establishment of new issue review processes.

b. The DCI must take a position on the issues based upon his understanding of substantive intelligence needs. Some mechanism must be devised to match costs ("particularly of collection programs") to the relative importance of each requirement.

c. The DCI must communicate his views to the Secretary of Defense and to the President. OMB sees IRAC as the forum in which to share views with Defense and others; the CIPB is the vehicle to use to reach the President.

2. The responsibilities above would be fulfilled through the following actions:

a. From 18 to 12 months before the budget year, the DCI should issue planning guidance for all of Defense intelligence

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assets. This guidance would be based upon policy direction from the NSCIC, the views of such intelligence users as the DDI and DIA, and upon USIB requirements. It would call on the various program managers to reflect the thrust of the guidance in their financial decisions. The paper fails to take note of the existence of DCID 1/2 Supplement "U.S. Intelligence Objectives and Priorities" which is an integral part of our "ultimate" guidance series.

b. The DCI should initiate studies (in IRAC) of issues raised by the planning guidance. The results of these studies should be weighed in the development of CIA's program call in late November and DoD's fiscal guidance in January. The results of other studies completed by IRAC or within the various departments and agencies should be available before the Deputy Secretary of Defense makes his decisions on programs and resource levels (usually around August).

c. The DCI's staff must be an active participant in all planning, program, and budget reviews and in all issue studies. Especially important are the periods before Defense fiscal guidance is issued (March or earlier) and before the Deputy Secretary signs the Program Budget Decisions (about October). The DCI should also be represented as last minute adjustments to the current year budget are made in response to congressional or other decisions.

d. The DCI must prepare the CIPB. This document is to be a statement of the DCI's views about the resource levels of the various intelligence programs.

1) It should identify objectives by priority and then relate resource levels to the priorities.

2) It should reflect the results of issue studies.

3) It should be organized around functional program categories (especially "production" and "collection") in order to demonstrate how it serves the President's desire to improve analysis and production and to find savings in collection costs.

3. OMB will review the CIPB and prepare materials for consideration by the President. (Dr. Hall and Mr. Moot do not like this procedure.)

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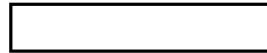
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4. "After all decisions on the budget, beginning in January, the DCI will need to coordinate preparation of materials required for a joint DCI/Defense/CIA presentation to the Congress of the President's intelligence budget." After this presentation, the individual intelligence program managers will defend their own programs.

NOTE:

As you know, I have an orderly plan outlining a process to be used by the Comptroller Group in its support of you and the Director in fulfilling the tasks assigned by the President. The concept paper arrived too late to be helpful in the design of this plan which I have forwarded to you with recommendation that it be adopted. There are differences from OMB's concept -- particularly in the IRAC role and in the format, content, and timing of DCI decision points. The proposed plan adopts present procedures insofar as possible, but leaves the door open to evolutionary change in these procedures -- several of which I feel strongly do need alteration.



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